

# ALERT!

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## ALERT #96

TO: Department Controllers, Fiscal Officers and Other Interested Parties

FROM: Clifford W. Hall *Clifford W. Hall*  
State Controller

DATE: December 10, 1996

SUBJECT: *Field Control Section Changes*  
*Transfer of Small Balances of Outside Bank Accounts to the State Treasurer*  
*Update Request for Travel Advance*  
*Proper Recording of Revenue on COFRS*  
*New Edits to Vendor Table Fields*

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### Field Control Section Changes

As you may be aware, Beverly Matulik recently transferred to the State Controller's Indirect Cost Section. Also, Patti Akkola is moving to **TEXAS** with her husband. We wish Beverly luck in her new job and Patti luck in **TEXAS** (she'll need it!).

We are happy to announce that we have hired two new field controllers to replace our former comrades. Linda Bradley from the Department of Human Services and Jeff Parker from the State Auditor's Office will be starting with us in late December or early January. Agency assignments will be determined and announced at that time. Congratulations and welcome to Linda and Jeff!

### Transfer of Small Balances of Outside Bank Accounts to the State Treasurer

Frequent transfers of small balances in outside bank accounts to the State Treasurer may not be practical due to the administrative cost of recording each transaction. Effective immediately, transfers of small balances to the State Treasurer may be delayed until the amount exceeds \$100 or until the end of the fiscal year, whichever occurs first. This policy will balance the cost of these transactions with the Treasury's cash management objective of minimizing idle cash balances. Questions about this policy may be directed to Doug Windes, Cash Manager, Department of the Treasury at 303/866-3253.



Update Request for Travel Advance Forms

The State Controller's Office is in the process of revising the following forms:

- ♦ Request For Travel Advance (#395-53-07-0036)
  1. Adding agency name;
  2. Adding employee's social security number;
  3. Adding signature of employee; and
  4. Adding employee requesting the advance, address, city, state and zip code.
- ♦ Out-Of-State Travel Request And Authorization (#615-82-50-6764)
  1. Adding whether a traveler has state travel card
  2. Travel/~~Cash~~ Advance (two locations on form).

If you have any comments or additional improvements for either of these forms, please contact Laura Blake at 866-3282.

Proper Recording of Revenue on COFRS

Revenue recording on the state's central accounting system is important as this information is used for a variety of financial, management and budget reports. One of the primary responsibilities of the controller is to keep a continuous record of these revenues for use by the state (CRS 24-30-201)(a). Consistent reporting of revenues has grown increasingly important due to the revenue limitations imposed by the TABOR amendment. Proper revenue recognition is also necessary to comply with many budgeting controls and revenue information is indispensable for good decision making.

The following principles apply to recording revenue on COFRS.

All revenue must be recorded on COFRS using the proper revenue source code and revenue recognition principles appropriate to the fund type.

- ♦ Revenue is defined as an increase in fund financial resources other than from interfund transfers and debt issue proceeds.
- ♦ Receipts accepted for the sole purpose of transferring that asset to a third party are not to be coded as revenue but rather as custodial in nature. If the receipt furthers the entities' mission, or ongoing major or central operations, then the receipt should be categorized as revenue rather than a custodial receipt.

All revenues should be recorded at gross with separate appropriate coding of discounts taken or uncollectibles allowed. Amounts received as reimbursement for payments made on behalf of another party will normally be recorded as revenue unless the reimbursement is incidental and non-recurring and occurs in the same fiscal year as the expenditure to be credited. Examples would include the recovery of an overpayment from a vendor or reimbursement from another fund or agency for a payment or partial payment made in their behalf.

Questions about this policy may be directed to Arthur Barnhart at 866-3850.

#### *New Edits to Vendor Table Fields*

The COFRS Vendor Table (VEND) will have additional edits to several fields as of Monday, December 9, 1996. The following is an overview of the changes:

1. The Master Vendor Field will be populated immediately on an add action.
2. Master Vendor records that are on HOLD will prevent alternate address records from being added.
3. Alternate addresses will not add if there is not a primary vendor (for example, vendor code 123456789 A will not add if 123456789 does not exist).
4. The first nine digits of the vendor code must exactly match the TIN field.
5. Foreign vendors that are not required to have a TIN should be entered with a vendor code beginning with six alpha characters and 3 digits. The TIN field will default to a period (.).
6. Foreign vendors that have a valid TIN should be entered with a vendor code that equals the TIN.
7. There is a three-way match between the 1099, Entity Type and TIN Type fields. (For example, a vendor record won't add if the entity type is I (for individual) and the 1099 field is NO; if the entity type is G (government) and the 1099 field is Yes). The COFRS 1099 Subsystem Quick Reference booklet has a chart on page 4 that shows all acceptable values for the three way match. A copy of the chart is attached to this Alert.

Questions on these changes may be directed to Sandy Rarick 303/866-3346, Joyce Miller 303/866-3816, or the COFRS Helpline 303/866-6122.

### Entity Type Fields on the VEND Table

Entity Type	Entity Type Name	TIN Type	1099 Name Line 1	1099 Name Line 2	1099
C	Corporation - Medical/health services provider	1	Corporation Name	DBA Name	Y
C	Other corporations, associations, PCs, and PAs	1	Corporation Name	DBA Name	N
E	Estate	1 or 2	Decedent's last name ESTATE, first name	DBA Name	Y
G	Government	1	Government name	DBA Name	N
I	Individual	2	Last name, first name	DBA Name	Y
L	Limited Liability Company (LLC)	1	LLC name	DBA Name	Y
O	Other (tax exempt medical services provider)	1	W-9 Name	DBA Name	Y
O	Other (other tax exempt)	1	W-9 Name	DBA Name	N
O	Other (club, joint venture)	1	W-9 Name	DBA Name	Y
P	Partnership	1	Partnership Name	DBA Name	Y
S	Sole Proprietor	1 or 2	Owner's last name, first name	Business Name	Y
T	Trust	1	W-9 Name	DBA Name	Y
U	Unknown - DO NOT USE	1 or 2	W-9 Name	DBA Name	Y or N

**NOTE:** All columns except the "Entity Type Name" column correspond to VEND table fields. The "Entity Type" field determines the contents of the other VEND table fields.